FINANCIAL SECRETARIAT.

Reorganisation of the Financial Branch of the Chief Electrical Engineer's Office.

READ—

Government Order No. Fl. 3779-838—G. F. 3-24-2, dated 5th January 1925, sanctioning the formation of a Financial Branch as part of the internal organisation of the Chief Electrical Engineer's Office with a view to ensuring an effective internal audit of the transactions of the Electrical Department and defining the duties, etc., of the Financial Assistant placed in charge of the said Financial Branch.

2. Correspondence ending with letter No. 1552—Es., dated 22nd May 1939, from the Comptroller to Government, pointing out certain deficiencies in the existing system under which the Audit Officer is placed practically in a position of subordination to the executive head of the department and submitting proposals calculated to remedy the defects.

3. Letter No. 2240, dated 24th July 1939, from the Chief Electrical Engineer, submitting his observations on the Comptroller's proposals.

ORDER No. FL. 1328-78—G. F. 7-36-6, DATED BANGALORE, THE 5TH SEPTEMBER 1939.

The Government order read above laid down, among other things, that the Financial Assistant to the Chief Electrical Engineer should be entrusted with the following duties:—

1. To be Financial Adviser to theChief Electrical Engineer.
2. To be the Accounting Officer of the Electrical Department.
3. To be the Officer in charge of internal Audit of the Financial transactions of the Electrical Department.

It was specifically laid down in that Government order that in all measures relating to audit and accounts, this officer should be guided by the instructions issued by the Comptroller who is the chief audit authority in the State. Definite provision was also made in the procedure prescribed therein for reference being made to the Comptroller for decision, of cases in which the Financial Assistant was unable to accept the views of the Chief Electrical Engineer, after giving effect to the latter.

2. In view of the development in operations and the growth in size of the revenue and expenditure of the department, including Capital and Depreciation Fund Works, the arrangement designed for the earlier stages is found to require revision with a view to ensure more efficient and independent audit. The present arrangement requiring the Financial Assistant to approach the Comptroller only through the Chief Electrical Engineer, the administrative head of the department, is found unsuitable, and it is considered desirable that the Audit Officer should have full freedom in raising objections and in approaching the Comptroller, without the intervention of the administrative head of the department. Barring the Gazetted Officers and a few senior Superintendents of the Financial Branch, the other subordinate staff of the Section are at present an integral part of the departmental cadre subject to the disciplinary control of the Chief Electrical Engineer. The placing of the audit staff under the disciplinary control of the administrative head of the department, whose sanctions are expected to be examined by them, is also not a satisfactory arrangement.

3. The Government of India Accountant, who was deputed to examine the working of the Financial Branch of the Electrical Department, has also expressed himself in favour of an alteration of the present organisation to ensure that audit is not placed in a position of subordination to the Chief Electrical Engineer.

4. The Comptroller has, after an examination of all aspects of the case, at the instance of Government, submitted the following proposals for the consideration of Government:—

(1) The administrative control of the entire staff of Accounts Clerks, Accountants and Superintendents may be transferred to the Comptroller, the head of the Audit and Accounts Department of the State.

(2) The Financial Assistant should be directly subordinate to the Comptroller and should work under his instructions and general control and guidance.

(3) All objections taken by the Financial Assistant in the dischage of his audit functions will be final. In cases where the Chief Electrical Engineer is not satisfied with the decision of the Financial Assistant, he may make a reference to the Comptroller as the final authority in respect of audit and accounts matters.

(4) The Financial Assistant will also, as hitherto, act as Financial Adviser to the Chief Electrical Engineer in respect of proposals for expenditure before sanction and other matters, and his advice will be freely availed of by the Chief Electrical Engineer. The Financial Assistant will continue to work in close collaboration with the Chief Electrical Engineer and bring all account and audit irregularities to the notice of the Chief Electrical Engineer with as little delay as possible.

(5) In other matters, the existing procedure will continue for the present.

5. The Chief Electrical Engineer, however, is of the opinion that it would be a great help to him, in avoiding irregularities, etc., if the audit is not entirely separated from him, and he would prefer the continuance of the present system with slight modifications and that in case it is finally decided that the audit cadre should be separated, he may be given a separate Accounts Assistant to help him in the internal accounts work of the department.

6. On a careful consideration of all aspects of the question, Government have come to the conclusion that the interests of safeguarding the revenue and securing a proper control of expenditure of this department could, under present conditions, be best served by adopting the modifications suggested by the Comptroller, as briefly indicated in para 4 above, as these proposals are calculated to serve the objective of an independent examination by Audit of all the financial transactions of the department, while giving the Audit, at the same time, an opportunity to work in collaboration with the internal organisation of the department.

7. The Comptroller is requested to take necessary further action and to submit detailed proposals in regard to the personnel, the pay and prospects of the staff to be employed in the Audit and Accounts work and other matters to Government, at a very early date.

8. The request of the Chief Electrical Engineer for a separate Accounts Assistant, after the revised scheme is brought into effect, will be considered by Government later, along with the proposals regarding staff, etc., called for from the Comptroller.

A. N. RAGHAVACHAR,
Secretary to Government,
Financial Department.

PUBLIC WORKS SECRETARIAT

(KRISHNARAJ SAGAR WORKS).

Passing orders in the matter of making the Krishnaraj Sagar Division permanent

READ--

Government Order No. 1161-3—K. S. S. 3916-18, dated the 20th January 1932, sanctioning the establishment required for the Dam Construction and No. I Irwin Canal Division, on a temporary basis.

2. Letter No. 5635, dated the 18th February 1938, from the Superintending Engineer, Irrigation Circle, Krishnaraj Sagar Works, submitting proposals for making the Krishnaraj Sagar Division, permanent.

ORDER No. 518-24—K. S. S. 1202-8, DATED BANGALORE, THE 5TH SEPTEMBER 1939.

The Krishnaraj Sagar Division which was first constituted in the year 1911, is still being continued on a temporary basis. On the abolition of the Upper Channels Division and the Gauging and Regulation Division as a measure of retrenchment, some of the Sub-Divisions, *viz.*, (1) Gauging Sub-Division, (2) Regulation Sub-Division, and (3) Upper Channels Sub-Division, were added on to the Krishnaraj